

RESOLUTION 83-111

RESOLUTION APPROVING AN AGREEMENT FOR TEMPORARY  
TRANSFER OF GEOTHERMAL PROJECT NO. 2 POWER

RESOLVED, that the City Council of the City of Lodi does hereby approve an Agreement for temporary transfer of Geothermal Project No. 2 Power, a copy of which agreement is attached hereto marked Exhibit "A" and thereby made a part hereof.

NOW, THEREFORE BE IT FURTHER RESOLVED, that the Mayor and City Clerk are hereby authorized to execute the subject Agreement on behalf of the City.

Dated: October 6, 1983

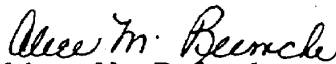
I hereby certify that Resolution No. 83-111 was passed and adopted by the City Council of the City of Lodi in an adjourned regular meeting held October 6, 1983 by the following vote:

Ayes: Council Member - Snider, Murphy, Reid  
Pinkerton and Olson (Mayor)

Noes: Council Member - None

Absent: Council Member - None

Attest:

  
Alice M. Reimche  
City Clerk

CITY COUNCIL

EVELYN M. OLSON, Mayor  
JOHN R. (Randy) SNIDER  
Mayor Pro Tempore  
ROBERT G. MURPHY  
JAMES W. PINKERTON, Jr.  
FRED M. REID

CITY OF LODI

CITY HALL, 221 WEST PINE STREET  
POST OFFICE BOX 320  
LODI, CALIFORNIA 95241  
(209) 334-5634

HENRY A. CLAVES, Jr.  
City Manager

ALICE M. REIMCHE  
City Clerk

RONALD M. STEIN  
City Attorney

October 7, 1983

Gail Sipple  
Northern California Power Agency  
8421 Auburn Blvd.  
Citrus Heights, CA 95610

Re: Agreement for Temporary Transfer of Project No. 2 Power

Dear Gail:

Please be advised that the Lodi City Council, in action taken at an Adjourned Regular Meeting held October 6, 1983, approved an Agreement for Temporary Transfer of Project No. 2 Power. An executed copy of the subject Agreement is attached along with the authorizing Resolution.

Should you have any questions regarding the actions of the Council pertaining to this matter, please do not hesitate to call this office.

Very truly yours,

  
Alice M. Reimche  
City Clerk

AMR:jj  
Enc.



AGREEMENT FOR TEMPORARY  
TRANSFER OF PROJECT NO. 2 POWER

THIS AGREEMENT, dated as of September 1, 1983, by and among (A) NORTHERN CALIFORNIA POWER AGENCY, a joint powers agency of the State of California, herein called "NCPA", (B) the CITIES OF GRIDLEY AND ROSEVILLE, CALIFORNIA, municipal corporations members of NCPA, and PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE, a California nonprofit corporation, an associate member of NCPA, herein called "Transferors", and (C) the CITIES OF ALAMEDA, HEALDSBURG, LODI, LOMPOC, SANTA CLARA AND UKIAH, municipal corporations and members of NCPA, herein called "Transferees",

WITNESSETH, that

WHEREAS, Transferors and Transferees are Purchasing Participating Members under the "Amended and Restated Member Agreement for Construction, Operation and Financing of NCPA Geothermal Generating Unit #2 Project" made as of January 1, 1980, as amended and supplemented, herein called the "Shell Member Agreement", in accordance with their respective Participation Percentages from the Project provided for in such Agreement, herein called Project No. 2; and

WHEREAS, the parties hereto, except the City of Santa Clara, are also parties to that Interconnection Agreement with Pacific Gas and Electric Company approved by NCPA



Resolution No. 83-47, and the City of Santa Clara is negotiating with PG&E for an interconnection agreement, which agreements are herein referred to as the Interconnection Agreements, and

WHEREAS, the Interconnection Agreements will provide the necessary services to the parties hereto to make the power from the Project firm and dependable as delivered from the output of PG&E's backbone system, which power is herein called Project Power; and

WHEREAS, Transferors wish to transfer all of their respective Participating Percentages under the Shell Member Agreement to Transferees, under the terms and conditions, and for the period, hereinafter set out, the Transferees desire to acquire additional Project Power for the use of the customers of their electric systems; and

WHEREAS, the Shell Member Agreement authorizes NCPA, upon request, to arrange such transfers of Project Power among Purchasing Participating Members, and others, as Purchasing Participating Members may request in accordance with the Shell Member Agreement, and the transfers provided for herein have been so arranged; and

WHEREAS, such transfers are authorized by the Shell Member Agreement, and are to be made pursuant thereto;

NOW THEREFORE IT IS AGREED AS FOLLOWS:

Section 1. Transferors hereby transfer, assign, and sell to Transferees their right to all of the Project Power

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to which Transferors are entitled under the Shell Member Agreement, to each Transferee in the proportion shown in Exhibit "A" of this agreement for the term of this agreement, and Transferors and NCPA shall deliver such Project Power to Transferees accordingly at the delivery points provided in the Interconnection Agreements. Such transfer shall not effect the voting power of Transferors under the Shell Member agreement.

Section 2. (a) NCPA shall, on behalf of the Transferors, bill each Transferee monthly for NCPA's estimate of Project Cost of the Project Power transferred, as provided for in Section 6(f) of the Shell Member Agreement and in this agreement, and shall transmit the amount of such billings that represents bond debt service and associated reserves, when received, to the Transferors.

(b) At the end of each NCPA fiscal year after the effective date of this agreement NCPA shall make an Annual Adjustment to the billed amounts to reflect after the fact actual Project Cost for the fiscal year, or portion thereof when power was delivered, just ended. Such adjusted Project Cost shall then be compared with the cost of power from another source as provided in Section 6(g) of the Member Agreement, and the price for the Project Power transferred fixed at the lesser of the actual project cost under Section 6(f) or the cost of another source under Section 6(g). For purposes hereof the cost of power from another source

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is further defined as the calculated cost of capacity and energy of equal usefulness and firmness available as partial requirements under the Interconnection Agreements, for the same period, and measured at the same point of delivery, as the transferred power, or the cost of firm power of at least equal capacity and energy from another source, for a similar term, and measured at the same delivery point, whichever is less. NCPA shall then bill the Transferors or Transferees, as the case may be, for the account of the other, for the overpayment or underpayment determined by the Annual Adjustment, and pay or credit the payment received from the billing to the account of those who are entitled to it.

(c) For the purpose of computing the estimated and actual Project Cost to be paid for Project Power under Section 6(f) of the Shell Member Agreement, NCPA shall include in the cost of such power to the Transferors the following Project Costs:

- (1) debt service, including required reserves
- (2) geothermal steam
- (3) operation and maintenance
- (4) capacity reserves
- (5) spinning reserves
- (6) transmission to backbone output
- (7) emergency power
- (8) maintenance power
- (9) short-term firm power

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- (10) dispatch services
- (11) administrative expenses
- (12) transmission losses to backbone output.
- (13) If this agreement is extended, the amount by which actual Project Cost exceeded the cost of power from another source during the preceding years as determined pursuant to subdivision (b) above.

(d) The cost of power from another source referred to in subdivision (b) of this section shall be determined at the monthly load factor at which Project Power was delivered, including the use of reserves, maintenance power, short term firm, etc.

Section 3. Nothing in this agreement shall impair the obligations of any of the Transferors to any of the NCPA's lenders for the project constructed under the Shell Member Agreement, and such Transferors shall make payments for bond debt service and associated reserves directly to the Trustee for the bondholder.

Section 4. The effective date of this agreement shall be the first day that Project No. 2 is in commercial operation under the Interconnection Agreement.

Section 5. This agreement shall terminate at 2400 hours December 31, 1983, except that the provisions of Section 2 shall be complied with thereafter. The parties expect prior to that date to amend, supplement, or replace

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this agreement to provide long-term layoffs by transferors to transferees.

No such termination shall relieve any Transferor or Transferee of the obligation of section 6 of the Shell Member Agreement.

Section 6. The transfer herein provided shall be subject to all the provisions of the Shell Member Agreement, and particularly sections 5 and 6 thereof, and shall be administered by NCPA in accordance with the Interconnection Agreements. Nothing herein shall compel any Transferee to purchase any energy which is surplus to its needs.

Section 7. No further transfer of any rights transferred herein shall be made by any Transferee which will cause violation of the terms of Section 6(d) of the Shell Member Agreement.

Section 8. This agreement shall be binding on the City of Santa Clara only if and when it obtains an Interconnection Agreement with PGandE Co. and gives notice thereof at least ten business days before the first day of any calendar month, whereupon the Transferor's layoffs will be apportioned to it in the same manner as other Transferees for such following month and during the term of this agreement.

Section 9. This agreement is not intended to be, and shall not be construed as, a precedent for transfer of rights to power from other NCPA projects.



(KL)

IN WITNESS WHEREOF each Transferor and Transferee, and  
NCPA, have executed this agreement as of the year and date  
first above noted.

NORTHER CALIFORNIA POWER AGENCY

By \_\_\_\_\_  
and \_\_\_\_\_

CITY OF HEALDSBURG

By \_\_\_\_\_  
and \_\_\_\_\_

CITY OF ALAMEDA

By \_\_\_\_\_  
and \_\_\_\_\_

CITY OF LODI

By Evelyn O'Sullivan Mayor  
and Alvin M. Bunch City Clerk

CITY OF GRIDLEY

By \_\_\_\_\_  
and \_\_\_\_\_

CITY OF LOMPOC

By \_\_\_\_\_  
and \_\_\_\_\_

CITY OF ROSEVILLE

By \_\_\_\_\_  
and \_\_\_\_\_

CITY OF SANTA CLARA

By \_\_\_\_\_  
and \_\_\_\_\_

CITY OF UKIAH

By \_\_\_\_\_  
and \_\_\_\_\_

PLUMAS-SIERRA RURAL ELECTRIC  
COOPERATIVE

By \_\_\_\_\_  
and \_\_\_\_\_

# EXHIBIT A

## Preliminary Allocations of NCPA Geothermal Project No. 2 Power Transfers\*

For the Term September 1 through December 31, 1983

(Assumes Plant 110 MW)

City	Initial Project Share		Sale		Purchase		Total	
Alameda	14.994%	16.49 MW	-	-	1.5727%	1.73 MW	16.5667%	18.22 MW
Biggs	-	-	-	-	-	-	-	-
Gridley	.334	0.37	.334%	0.37 MW	-	-	-	-
Healdsburg	3.252	3.58	-	-	.3411	0.38	3.5931	3.95
Lodi	14.560	16.01	-	-	1.5271	1.68	16.0871	17.70
Lompoc	3.266	3.59	-	-	.3426	0.38	3.6086	3.97
Palo Alto	-	-	-	-	-	-	-	-
Plumas-Sierra	.719	0.79	.719	0.79	-	-	-	-
Redding	-	-	-	-	-	-	-	-
Roseville	3.252	3.58	3.252	3.58	-	-	-	-
Santa Clara	54.651	60.12	-	-	-	-	54.6510	60.12
Ukiah	<u>4.972</u>	<u>5.47</u>	-	-	<u>.5215</u>	<u>0.57</u>	<u>5.4935</u>	<u>6.04</u>
Total	<u>100.00%</u>	<u>110.00 MW</u>	<u>4.305%</u>	<u>4.74 MW</u>	<u>4.305%</u>	<u>4.74 MW</u>	<u>100.00%</u>	<u>110.00 MW</u>

\* It is anticipated that the routine intermember energy exchanges that take place during this time will be accounted for after-the-fact, along with overall project transfer cost. To the extent that the temporary transfer is priced at PG&E cost, the energy component would be priced at the comparable PG&E energy cost (Base + FCA). If the project transfer is below the PG&E cost, the project energy charge will be proportionately reduced.

RESOLUTION NO. 83-112

RESOLUTION SELECTING CITY OF LODI TELEPHONE  
SYSTEM VENDOR

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened by the City Clerk of this City on Wednesday, September 28, 1983 at 11:00 a.m. for a telephone system for the City of Lodi as described in specifications therefor approved by the City Council August 17, 1983.

WHEREAS, said bids have been compared, checked and tabulated and a report thereof filed with the City Manager as follows:

Continental Telephone	\$142,925.96
Com Systems	\$160,915.00
Pacific Telephone	Rental only
5 year rental cost	\$252,804.57

NOW, THERFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby select Continental Telephone as the successful vendor of the City's telephone system and does hereby authorize continuing with the negotiations for the installation. The cost of the system is not to exceed \$250,000.

Dated: October 6, 1983

I hereby certify that Resolution No. 83-112 was passed and adopted by the City Council of the City of Lodi in an adjourned regular meeting held October 6, 1983 by the following vote:

Ayes: Council Members - Reid, Murphy, Snider,  
Pinkerton & Olson (Mayor)

Noes: Council Members - None

Absent: Council Members - None

  
Alice M. Reimche  
City Clerk